

INVITATION FOR BIDS (IFB) NO. 07-028

FOR

BINDING OF LIBRARY MATERIALS

FOR

EDWIN H. MOOKINI LIBRARY

UNIVERSITY OF HAWAII AT HILO

HILO, HAWAII

SEPTEMBER, 2006

BOARD OF REGENTS

UNIVERSITY OF HAWAII

HONOLULU, HAWAII

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**IT IS THE RESPONSIBILITY OF ALL BIDDERS TO CHECK THE TABLE OF CONTENTS TO CONFIRM THAT ALL PAGES LISTED THEREIN ARE CONTAINED IN THEIR BID PACKAGE.**

## NOTICE TO BIDDERS

(Section 304-4, HRS)

BID FORMS for IFB No. 07-028, Binding of Library Materials for Edwin H. Mookini Library, University of Hawai'i at Hilo, will be available from and received in the OFFICE OF PROCUREMENT AND REAL PROPERTY MANAGEMENT, UNIVERSITY OF HAWAII, 1400 LOWER CAMPUS ROAD, ROOM 15, HONOLULU, HAWAII 96822, (an unofficial copy of the IFB is available on the Internet at <http://www2.state.hi.us/bidapps/showbids.cfm>) and must be submitted no later than 2:30 p.m., September 29, 2006, and at that time will be publicly opened.

Bids received after the time and date fixed for opening will not be considered.

Vendors located outside the Island of Oahu, Hawaii, USA, may request an official copy of the IFB to be sent via U.S. Postal Service by providing the vendor's name, address, contact person and telephone number. If express shipment is desired, requests must be submitted in writing with an account number, BILLABLE TO THE RECEIVER, and an authorized signature. Requests may be transmitted via facsimile, (808) 956-2093. Direct all questions to Kurt Minato, (808) 956-7159.

David McClain  
President, University of Hawaii

Advertised: Honolulu Star-Bulletin

Issue of: September 19, 2006

NOTICE TO BIDDERS

OPRPM FORM 115

BUSINESS CLASSIFICATION CERTIFICATION STATEMENT

(See Official Document)

BID FORM  
FOR  
BINDING OF LIBRARY MATERIALS

Office of Procurement and  
Real Property Management  
University of Hawaii  
1400 Lower Campus Road, Room 15  
Honolulu, Hawaii 96822

To Whom It May Concern:

The undersigned has carefully examined the INVITATION FOR BIDS (IFB) NO. 07-028, FOR BINDING OF LIBRARY MATERIALS FOR EDWIN H. MOOKINI LIBRARY, UNIVERSITY OF HAWAII AT HILO, HILO, HAWAII, and offers to provide all labor, materials, tools, and equipment necessary to perform the binding of library materials for delivery to Edwin H. Mookini Library, in strict accordance with the true intent and meaning of the Invitation for Bids (IFB) as follows:

**BASIC BID**

<u>Item</u>	<u>Description</u>	<u>Hourly Rate</u>	<u>Quantity</u>	<u>Estimated Total Amount</u>
1.	Buckram Binding per volume including EIGHT (8) lines of lettering, as per Technical Specification	\$_____	x 1,000	= \$_____
2.	Buckram Casing, as per Technical Specifications	\$_____	x 1	= \$_____
3.	Double Fanning Adhesive Binding, as per Technical Specifications	\$_____	x 300	= \$_____
<b>TOTAL AGGREGATE (ITEMS 1 - 3)</b>				<b>\$_____</b>

All prices shall be F.O.B. jobsite, unloaded, including applicable general excise taxes and use taxes, return shipping costs and insurance.

### ADDITIONAL QUOTATIONS

It is understood and agreed that the following additional quotations, per volume, shall be used at the option of the University and shall be added to the Basic Bid upon specific request by the University as follows:

- |    |  |          |
|----|--|----------|
| 1. | Each additional line of lettering beyond the eight lines of lettering included in Item No. 1, Buckram Binding. | \$ _____ |
| 2. | Hand Sewing  | \$ _____ |
| 3. | Normal Stubbing  | \$ _____ |

Additional quotations shall include all applicable taxes.

Any additional charges not within the scope of the BASIC BID shall be shown as separate line items in the billing.

### TAX LIABILITY

Both out-of-state and Hawaii bidders are advised that the amount bid on this solicitation is subject to the general excise tax (currently 4%) imposed by Chapter 237, Hawaii Revised Statutes (HRS) and, if tangible property is being imported into the State of Hawaii for resale, the use tax (currently 1/2%) imposed by Chapter 238, HRS. (Refer to Tax Clearance in the Special Provisions and Taxes in the General Provisions.) Bidders are therefore cautioned to consider such taxes in formulating their bids since no adjustments to the prices bid shall be allowed.

### LOCATION OF BINDERY

The undersigned certifies that the binding shall be done at:

\_\_\_\_\_  
Location of Bindery

### BASIS FOR AWARD

The award of contract, if awarded, shall be made to the lowest responsive and responsible bidder on the **TOTAL AGGREGATE (ITEMS 1 - 3)**.

### NOTE TO BIDDERS

An acceptable bid must conform in all material respects to this Invitation for Bids. Any of the following may be grounds for disqualification:

1. Taking exception to any of the specifications, terms or conditions contained in the IFB.
2. Placing conditions on the furnishing of solicited goods or services.
3. Inclusion of a quotation or order form containing additional specifications, terms or conditions.
4. Referencing external documents containing additional specifications, terms or conditions.

Bidders are advised that bids are evaluated as submitted and requests by bidders to delete conditions contained in their bids after bid opening cannot be considered.

In the event that the undersigned is awarded this contract and its remittance address differs from the address shown on the next page, please indicate remittance address below:

---

Street Address or P. O. Box

---

City    State    Zip Code

SIGNATURE PAGE

(See Official Document)



## TECHNICAL SPECIFICATIONS

This section indicates the Technical Specifications for the binding of library materials required. The Technical Specifications listed herein are the minimum requirements and are mandatory for an accepted bid.

### 1. ESTIMATED ANNUAL VOLUME

An estimated minimum number for EIGHT HUNDRED (800) volumes of library materials will be shipped to the bindery annually in various lot sizes at a schedule mutually agreed upon between the University and the Contractor (December and Summer).

### 2. MATERIALS

All materials used for binding must meet the current ANSI/NISO/LBI Standards as revised in 2000.

### 3. BUCKRAM BINDING

Binding shall meet the Library Bindery Institute specifications, with one exception – lettering shall be white instead of gold. Flat black, white hinge binding is acceptable.

### 4. BUCKRAM CASING

If the library specifies buckram casing only, trimming, oversewing or endpaper creation will not be required. Otherwise, buckram casings shall meet the Library Bindery Institute specifications.

### 5. COMMUNICATION

The Contractor shall provide a toll-free number and email to enhance communication.

A representative from the Contractor who is knowledgeable about bindery operations shall make at least one visit to the University and be available on request at no additional charge to the library as needed. The representative shall be thoroughly familiar with the terms of the contract, all technical operations and service policies of the Contractor, the bindery preparation provided by the Contractor and the role of library binding in a comprehensive preservation program.

The Contractor shall be prepared to provide in-service training for the University library staff members involved in bindery preparation activities at no additional cost to the Library. Training shall focus on bindery preparation procedures and library binding technologies and appropriate application.

6. DAMAGED MATERIALS

The Contractor shall be responsible for replacement costs of materials damaged during the binding process.

7. FORMS OR SLIPS

If binding forms or slips are required with each volume by the Contractor, the Contractor shall supply them to the University and they shall be included in the bid prices.

8. CONTAINERS

Shipping containers, cartons, or crates shall be provided by the Contractor, and they shall be included in the bid prices.

9. SHIPMENT, DELIVERY, AND LIQUIDATED DAMAGES

Shipments shall be returned by the Contractor and received by the Library within SIXTY (60) days after the original shipment date of the Library to the Contractor; any failure of the Contractor to complete the shipment cycle within SIXTY (60) days specified may, at the discretion of the University, result in termination of the contract or assessment of liquidated damages per working day of 10 cents per volume, for each day's delay after the date agreed upon. The shipment by the Library shall be at "Library Rate" via the United States Postal Service, and the return shipment by the Contractor shall be via whatever service is necessary in order to comply with the time limitation specified. The findings of the University shall be final, but any allowance shall in no other manner affect the rights or obligations of the parties under contract.

10. INSURANCE AND SHIPPING COSTS

The Contractor shall insure the Library materials while in possession of the Contractor and when in transit from the Contractor to the University. All such costs and shipment costs from the Contractor to the destination of the University shall be included in the binding bid prices. The University shall pay the shipping costs for the University to the Contractor.

11. COMPUTERIZED SERVICES, RECORDS AND REPORTS`

The Contractor shall follow binding instructions provided by the University communicated by printout, file transfer or any other computerized method of communication.

The Contractor shall be responsible for creating a database from the University's electronic and/or paper binding records containing the following data elements: spine title, buckram color or codes, stamping color (if not white), title number and notes/special handling instructions.

The Contractor shall provide, upon request, management reports which include a list of any materials damaged by title and lot number and complete list of serial titles in the database.

The Contractor agrees to maintain and update their Binding Control software as required during the lifetime of this contract at no additional charge to the University. It is desirable that the binding software be interfaced with the University's on-line system for purposes of electronic transmission of information and creation of binding related forms.

All questions pertaining to the Technical Specifications shall be directed to Dr. Linda Marie Golian-Lui, University Librarian, telephone (808) 974-7759, e-mail [golianlu@hawaii.edu](mailto:golianlu@hawaii.edu) (Hilo).

**Bidders are cautioned to review the Technical Specifications carefully and thoroughly. Objections to or requests for clarification of the specifications shall be made in writing in accordance with the General Provisions to the Office of Procurement and Real Property Management prior to the submittal of a bid. The submittal of a bid shall be considered as acceptance of the specifications as published.**

## SPECIAL PROVISIONS

### 1. SCOPE

The Binding of Library Materials for Edwin H. Mookini Library shall be in accordance with the terms and conditions of IFB No. 07-028 and the General Provisions dated March 2003 included by reference. Copies of the General Provisions are available at the Office of Procurement and Real Property Management, University of Hawaii, 1400 Lower Campus Road, Room 15, Honolulu, Hawaii 96822 or the General Provisions may be viewed at: <http://www4.hawaii.gov/bidfiles/uhgpgs.pdf>

### 2. TECHNICAL REPRESENTATIVE OF THE PROCUREMENT OFFICER (TRPO)

The Technical Representative of the Procurement Officer is Dr. Linda Marie Golian-Lui, University Librarian, telephone (808) 974-7759, e-mail [golianlu@hawaii.edu](mailto:golianlu@hawaii.edu) (Hilo).

### 3. CONTRACT START DATE

The contract for the Binding of Library Materials for Edwin H. Mookini Library is scheduled to begin on July 1, 2007.

### 4. BIDDER'S QUALIFICATIONS

To qualify to bid on the specified goods and/or services, the bidder must be engaged in a business whose primary and customary interest is to provide the specified goods and/or services. The bidder must also have the requisite experience, appropriate forms of insurance, and proper licenses. The University reserves the right to disqualify any potential bidder if, in its discretion, the University determines that the bidder does not have the requisite experience or expertise to provide the goods and/or services.

### 5. BINDERY INSPECTIONS

Prior to the contract award and at any time during the contract period the Contractor shall permit representatives from the University to inspect the bindery during its normal working hours.

### 6. SUBCONTRACTING PROHIBITION

All binding shall be done on the premise of the Contractor unless written permission to do otherwise is granted by the University. The Contractor shall not at any time subcontract, convey, transfer, or assign said services to be performed under the contract, either in whole or in part, without the prior written consent of the University.

7. TERM OF CONTRACT

The Contractor shall enter into a contract with the University for an initial period of ONE (1) year commencing on the date designated in the Notice to Proceed, and the unit price(s) bid shall remain firm for the initial term of the contract. Thereafter, the contract shall be renewable from year to year, for a total of TEN (10) years, without the necessity of rebidding, upon mutual agreement in writing, NINETY (90) days' prior to the annual renewal date. The contract price for each renewal period shall remain the same or lower than the initial bid price or may be adjusted in accordance with Special Provision 8, ESCALATION CLAUSE, of the contract, upon written request of the Contractor. Further, the University may terminate the contract at any time, after the first year, upon NINETY (90) days' prior written notice.

8. ESCALATION CLAUSE

The Contractor shall be allowed to request adjustments to the contract price for each contract renewal period, NINETY (90) days' prior to the contract renewal date, upon mutual agreement in writing between the Contractor and the University.

9. PAYMENT

The Contractor shall be remunerated upon submission of a properly executed original invoice and ONE (1) copy, indicating the contract number, to Acquisitions Department, Edwin H. Mookini Library, University of Hawai'i at Hilo, 200 W. Kawili Street, Hilo, Hawaii 96720-4091.

10. CAMPAIGN CONTRIBUTIONS BY STATE AND COUNTY CONTRACTORS

Contractors are hereby notified of the applicability of Section 11-205.5, HRS, which states that campaign contributions are prohibited from specified State or county government contractors during the term of the contract if the contractors are paid with funds appropriated by a legislative body. Further information is available from the Campaign Spending Commission at [www.hawaii.gov/campaign](http://www.hawaii.gov/campaign) or at (808) 586-0285.

11. COMPLAINTS AND PROTESTS

General Provision 5.11 is hereby deleted in its entirety and shall be replaced with the following:

- a. Complainants should seek resolution of their complaints initially with the Procurement Officer. Such complaints should be made in writing.

- b. Protests shall be made in writing to the Procurement Officer within FIVE (5) working days after the protestor knows or should have known of the facts giving rise thereto. A protest of an award or proposed award shall in any event be submitted in writing within FIVE (5) working days after the posting of the award of the contract. No protest based upon the content of the solicitation shall be considered unless it is submitted in writing prior to the date set for the receipt of offers. Protests filed after the applicable filing periods shall not be considered.
- c. Protestors may file a protest on any phase of solicitation or award including but not limited to specifications preparation, bid solicitation, award, or disclosure of information marked confidential in the bid or offer.
- d. To expedite handling of protests, the envelope should be labeled "Protest" and either served personally or sent by registered or certified mail, return receipt requested, to the Procurement Officer. The written protest shall include as a minimum the following:
  - 1) The name and address of the protestor;
  - 2) Appropriate identification of the procurement, and, if a contract has been awarded, its number;
  - 3) A statement of reasons for the protest; and
  - 4) Supporting exhibits, evidence, or documents to substantiate any claims unless not available within the filing time in which case the expected availability date shall be indicated.
- e. Protests concerning a procurement action shall be decided by the Chief Procurement Officer or designee in accordance with applicable law.

## 12. DISPUTES

General Provision 5.12 is hereby deleted in its entirety and shall be replaced with the following:

- a. All controversies between the University and the Contractor which arise under, or are by virtue of, this contract and which are not resolved by mutual agreement, shall be decided by the Procurement Officer in writing, within NINETY (90) calendar days after a written request by the Contractor for a final decision concerning the controversy; provided that if the Procurement Officer does not issue a written decision, or within such longer period as may be agreed upon by the parties, then the Contractor may proceed as if an adverse decision had been received.

- b. The Procurement Officer shall immediately furnish a copy of the decision to the Contractor, by certified mail, return receipt requested, or by any other method that provides evidence of receipt.
- c. Any such decision shall be final and conclusive, unless fraudulent, or the Contractor brings an action seeking judicial review of the decision in the circuit court of the State within the SIX (6) months from the date of receipt of the decision.
- d. The Contractor shall comply with any decision of the Procurement Officer and proceed diligently with performance of this contract pending final resolution by the circuit court of this State of any controversy arising under, or by virtue of, this contract, except where there has been a material breach of contract by the University provided that in any event the Contractor shall proceed diligently with the performance of the contract where the Procurement Officer has made a written determination that continuation of work under the contract is essential to the public health and safety.

13. CERTIFICATIONS REQUIRED PRIOR TO AWARD

Before contract award can be made by the University, the successful Offeror shall be required to provide the following certifications:

a. Tax Clearance for Contracts

General Provision 2.23 is hereby deleted in its entirety and shall be replaced with the following:

In accordance with Sections 103D-328 and 103-53, HRS, prior to award, Offerors shall submit, **original** tax clearances from the State of Hawaii Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). Tax clearances obtained shall certify that all tax returns due have been filed, and all taxes, interest, and penalties levied or accrued under the provisions of Title 14 that are administered by the DOTAX and under the Internal Revenue Code against the Offeror, have been paid. This shall apply to all contracts, whether with Hawaii Offerors, out-of-state Offerors, or nonprofit organizations.

This shall not apply to Offerors if the DOTAX certifies that the Offeror is in good standing under a plan in which delinquent taxes are being paid to the DOTAX (and the IRS, if applicable) in installments.

The certificate is valid for SIX (6) months from the most recent approval stamp date on the certificate and must be valid on the date it is received by the University. **The application for tax clearance is the responsibility of the Offeror and must be submitted directly to the DOTAX or IRS and not to the University.**

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX TAX CLEARANCE APPLICATION Form A-6 (Rev. 10/2004), which is available at the DOTAX and IRS offices in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website: <http://www.state.hi.us/tax/alphalist.html#a>

DOTAX Forms by Fax/Mail: (808) 587-7572  
1-800-222-7572

Information about the State of Hawaii Department of Taxation can be found at:  
<http://www.state.hi.us/tax/tax.html>

Any questions pertaining to tax clearance may be addressed to the following:

- 1) Internal Revenue Service, Compliance Division - LTC  
300 Ala Moana Boulevard, #50089  
Honolulu, Hawaii 96850-4922  
Telephone No.: (808) 541-1160
- 2) Department of Taxation  
State of Hawaii  
Oahu District Office  
P.O. Box 259  
Honolulu, Hawaii 96808-0259  
Telephone No.: (808) 587-4242  
Toll-Free: 1-800-222-3229

b. **Certificate of Compliance, Hawaii State Department of Labor**

In accordance with Section 103D-310(c), HRS, prior to award, Offeror shall submit an approved Certificate of Compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for SIX (6) months from the date of issue and must be valid on the date it is received by the University. A copy of the Certificate of Compliance is acceptable.



The Certificate of Compliance shall be obtained on the State of Hawaii, DLIR APPLICATION FOR CERTIFICATE OF COMPLIANCE WITH SECTION 3-1122-112, HAR, Form LIR#27, which is available at: <http://www.hawaii.gov/labor/forms/DCD-LIR27.pdf>

**The application for Certificate of Compliance is the responsibility of the Offeror and must be submitted directly to the State of Hawaii DLIR and not to the University.**

c. Certificate of Good Standing, State of Hawaii Department of Commerce and Consumer Affairs

In accordance with Section 103D-310, HRS, prior to award, Offeror shall obtain a Certificate of Good Standing from the State of Hawaii Department of Commerce and Consumer Affairs (DCCA). The certificate is valid for SIX (6) months from the date of issue and must be valid on the date it is received by the University. A copy of the Certificate of Good Standing is acceptable.

- 1) **Hawaii business.** A business entity referred to as a “Hawaii business”, is registered and incorporated or organized under the laws of the State of Hawaii. As evidence of compliance, an Offeror that is a “Hawaii business” shall submit a Certificate of Good Standing issued by the DCCA Business Registration Division (BREG). A Hawaii business that is a sole proprietorship, however, is not required to register with the BREG, and therefore not required to submit the certificate. An Offeror’s status as a sole proprietor or other business entity and its business street address indicated on the Signature Page or Proposal Letter will be used to confirm that the Offeror is a Hawaii business.
- 2) **Compliant non-Hawaii business.** A business entity referred to as a “compliant non-Hawaii business,” is not incorporated or organized under the laws of the State of Hawaii but is registered to do business in the State. As evidence of compliance, Offeror shall submit a Certificate of Good Standing.

To obtain a Certificate of Good Standing, go online to [www.BusinessRegistrations.com](http://www.BusinessRegistrations.com) and follow the prompt instructions. To register or to obtain a Certificate of Good Standing by phone, call (808) 586-2727 (M-F 7:45 a.m. to 4:30 p.m., H.S.T.).

Offerors are advised that there are costs associated with registering and obtaining a Certificate of Good Standing from the DCCA.

**The above certifications should be applied for by Offerors in a timely manner. The University will inform the successful Offeror in writing as to the exact date and time that the above certifications are due to the University. If the successful Offeror does not submit the certifications by the date and time specified in the University's written notification, the successful Offeror's proposal shall be rejected. Thereafter, the University reserves the right to consider other offers received for award.**

14. CERTIFICATIONS REQUIRED FOR FINAL PAYMENT

Before final payment can be made under this contract, the Contractor shall be required to provide the following certifications:

a. Tax Clearance For Final Payment

General Provision 7.2 is hereby deleted in its entirety and shall be replaced with the following:

In accordance with Section 103-53, HRS, final payment for the settlement of the contract will not be made by the University until the Contractor has submitted to the University original tax clearances from the State of Hawaii Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). Tax clearance shall certify that all tax returns due have been filed, and all taxes, interest, and penalties levied or accrued under the provisions of Title 14 that are administered by the DOTAX and under the IRS Code against the Contractor have been paid.

Notwithstanding Sections 40-57 and 40-58, HRS, if a Contractor fails to provide the original tax clearances within SIX (6) months of the notice of final settlement or completion date of the contract, the University shall assign the final settlement payment in an amount not to exceed the tax liability to the DOTAX or IRS, provided that the DOTAX may first offset its tax debt against the sum owed to the Contractor. This shall apply to all contracts whether with Hawaii vendors, out-of-state vendors, or nonprofit organizations.

The foregoing shall not apply to the Contractor if the DOTAX certifies that the Contractor is in good standing under a plan in which delinquent taxes are being paid to the DOTAX (and the IRS, if applicable) in installments.

The certificate is valid for SIXTY (60) days from the most recent approval stamp date on the certificate. To allow the University sufficient time to make payments, the certificate and must be valid for a minimum of THIRTY (30) days on the date it is received by the University. **The application for tax clearance for final payment is the responsibility of the Offeror and must be submitted directly to the DOTAX or IRS and not to the University.**

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX TAX CLEARANCE APPLICATION Form A-6 (Rev. 10/2004), which is available at the DOTAX and IRS offices in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website: <http://www.state.hi.us/tax/alphalist.html#a>

DOTAX Forms by Fax/Mail: (808) 587-7572  
1-800-222-7572

Information about the State of Hawaii Department of Taxation can be found at:  
<http://www.state.hi.us/tax/tax.html>

Any questions pertaining to tax clearance may be addressed to the following:

- 1) Internal Revenue Service, Compliance Division - LTC  
300 Ala Moana Boulevard, #50089  
Honolulu, Hawaii 96850-4922  
Telephone No.: (808) 541-1160
- 2) Department of Taxation  
State of Hawaii  
Oahu District Office  
P.O. Box 259  
Honolulu, Hawaii 96808-0259  
Telephone No.: (808) 587-4242  
Toll-Free: 1-800-222-3229

b. Certification of Compliance for Final Payment

Final payment shall be withheld pending receipt from the Offeror of certification affirming that the Offeror has remained in compliance with the requirements referenced in Special Provision 13.

SPO Form-22, Certification of Compliance for Final Payment shall be used for this purpose. A copy of the form is available at <http://www4.hawaii.gov/StateFormsFiles/Form221.pdf>

15. PREFERENCES

The preferences provided below shall be added to the General Provisions, Section 3, EVALUATION, AWARD AND EXECUTION OF CONTRACT. These preferences will be considered in the evaluation only if it is deemed applicable by the University to the RFP or IFB.

a. Preference for Hawaii Products (Applicable to RFP's and IFB's)

Section 103D-1002, HRS, and Subchapter 1, Chapter 3-124, HAR, provide as follows:

Hawaii products. In any expenditure of public funds, a purchasing agency shall review all purchase specifications in a bid or proposal for purchase from the Hawaii products list where such products are available, provided that the products: meet the minimum specifications and the selling price f.o.b. jobsite; unloaded including applicable general excise tax and use tax does not exceed the lowest delivered price in Hawaii f.o.b. jobsite; unloaded including applicable general excise tax and use tax of a similar non-Hawaii product by more than: THREE PERCENT (3%), where Class I Hawaii products are involved; FIVE PERCENT (5%) where Class II Hawaii products are involved; or TEN PERCENT (10%) where Class III Hawaii products are involved.

Where offers contain both Hawaii and non-Hawaii products, then for the purpose of selecting the lowest offer or purchase price only, the price offered for a non-Hawaii product item shall be increased by adding thereto THREE PERCENT (3%), FIVE PERCENT (5%) or TEN PERCENT (10%) where similar Class I, Class II or Class III Hawaii product items have been offered by another party pursuant to the preferences stated above. The lowest total offer, taking into consideration the above preferences, shall be awarded the contract unless the solicitation provides for additional award criteria. The contract amount of any contract awarded, however, shall be the amount of the original price offered, exclusive of such preferences.

Any person desiring a preference must have the product(s) qualified and registered on the Hawaii products list. The responsibility for qualification shall rest upon the person desiring the preference. The product(s) shall be found qualified and on the Hawaii products list before a preference may be granted. Persons desiring to qualify their product(s) shall complete according to instructions and file with the Administrator, State Procurement Office, the "Application for Hawaii Products Preference," which is available from the State Procurement Office and provide all additional information required by the Administrator.

Should the price comparison for bids submitted pursuant to Section 103D-302, HRS, after taking into consideration all applicable preference, result in identical total prices, award shall be made to the Offeror offering a registered Hawaii produce in preference to a non-Hawaii product.

b. Printing Preference (Applicable to IFB's only)

Section 103D-1003, HRS, and Subchapter 2, Chapter 3-124, HAR, provide as follows:

All bids submitted for a printing, binding, or stationery contract in which all work will be performed in-state, including all preparatory work, presswork, bindery work, and any other production-related work shall receive a FIFTEEN PERCENT (15%) preference for purposes of bid evaluation.

Where bids are for work performed in-state and out-of-state, then for the purpose of selecting the lowest bid, the amount bid or proposed for work performed out-of-state shall be increased by FIFTEEN PERCENT (15%). The lowest total bid, taking the preference into consideration, shall be awarded the contract unless the solicitation provides for additional award criteria. The contract amount awarded, however, shall be the amount of the original price offered, exclusive of the preference.

c. Software Development Business Preference (Applicable to RFP's and IFB's)

Section 103D-1006, HRS, and Subchapter 5, Chapter 3-124, HAR, provide as follows:

This preference shall apply to all bids or offers issued by a purchasing agency when so stated in the solicitation. Bids issued by a governmental agency pursuant to Section 103D-301, HRS, shall contain a notice stating that a price preference will be given to Hawaii software development businesses. This price preference will be TEN PERCENT (10%) of the offer price, and will be used for evaluation.

Offerors requesting a preference shall submit a completed certification form, as required by Section 3-124-33, HAR, with each offer. Previous certifications shall not apply unless allowed by the offer.

Any Offeror who fails to indicate that it is a Hawaii software development business will be presumed to be a non-Hawaii software development business and the offer will be increased by TEN PERCENT (10%) for purposes of evaluation.

Where an offer contains both Hawaii software development businesses and non-Hawaii software development businesses, then for the purpose of determining the lowest evaluated bid, the original offer for the non-Hawaii software development businesses shall be increased by TEN PERCENT (10%).

The responsible Offeror submitting the lowest evaluated offer(s), taking into consideration all applicable preferences shall be awarded the contract, provided the product being offered meets the minimum specifications.

The contract amount of any contract awarded shall be the original price offered, exclusive of any preferences.

d. Recycled Products Preference (Applicable to IFB's only)

Section 103D-1005, HRS, and Subchapter 4, Chapter 3-124, HAR, provide as follows:

Solicitations issued by a governmental agency pursuant to Section 103D-310, HRS, and consistent with Section 3-124-22, HAR, shall contain a notice stating that a price preference will be given to recycled products. This price preference will be at least FIVE PERCENT (5%) of the offer price, and will be used for bid evaluation, as specified in Section 3-124-25, HAR.

When a purchase specified recycled products only, or when recycled products only are offered, the price preference shall not apply.

Offerors requesting a preference shall complete a certification of recycled content form which shall be included with the solicitation if applicable as follows:

- 1) Offerors shall indicate on the certification form, the recycled content of the products offered. Recycled content shall be expressed as a percentage of total product weight.

- 2) Offerors shall submit with the certification form sufficient information to support the stated recycled content of the products offered, including but not limited to manufacturer's specifications, or manufacturer's certification. The University reserves the right to request additional information deemed necessary in order to qualify a product, and has sole discretion in determining acceptance of a product.
- 3) Any Offeror whose product is not accepted for application of preference may appeal by filing a written request for re-examination of facts to: Office of Procurement and Real Property Management, University of Hawaii, 1400 Lower Campus Road, Room 15, Honolulu, Hawaii 96822.

Previous certifications shall not apply unless allowed by the solicitation.

Offerors failing to submit the certification at the time established for receipt of offers will not be considered for the price preference.

When both recycled products and non-recycled products are offered for the purpose of determining the lowest price, the original offer price for the non-recycled product item shall be increased by FIVE PERCENT (5%).

When low tie offers with identical post-consumer recovered material content result after all applicable preferences are applied, award shall be made to the Offeror offering products with the higher recovered material content.

The contract amount of any contract awarded shall be the original offer price offered, exclusive of any preferences.

e. Tax Preference (Applicable to IFB's only)

Section 103D-1008, HRS, Subchapter 7, Section 3-124, HAR, provides a tax preference for tax paying bidders. For purposes of this section, tax exempt bidders and tax paying bidders are defined as follows:

- 1) "Tax exempt bidder" mean a bidder that is not subject to the applicable Hawaii general excise and applicable Hawaii use tax, under Chapters 237 and 238, HRS, resulting from the performance of the work required by the solicitation; or a bidder that has tax exempt status under federal or state laws or both.
- 2) "Tax paying bidder" means a bidder that is subject to the applicable Hawaii general excise tax and applicable Hawaii use tax, under Chapters 237 and 238, HRS, for the performance of the work required by the solicitation.

To facilitate compliance with this requirement, each bidder possessing a Hawaii I.D. number for General Excise Tax License shall enter it in the space provided on the signature page, thereby attesting that the bidder is doing business in the State of Hawaii and is a tax paying bidder, and that bidder will pay such taxes on all sales made to the State. Any bidder that cannot furnish a valid Hawaii General Excise Tax License number in the space provided will be considered as not doing business in the State of Hawaii and is a tax exempt bidder, and bidder's bid will be evaluated accordingly.

The price submitted by the tax exempt bidder shall be increased by the applicable retail rate of the Hawaii general excise tax, currently 4%, and applicable use tax, currently  $\frac{1}{2}$  of 1%, for the purpose determining the evaluated price for award purposes. Any contract awarded, after taking into consideration the above preference, shall be in the amount of the original price bid and shall not include the amount of the said preference.

f. Qualified Community Rehabilitation Programs Preference (Applicable to RFP's and IFB's)

Section 103D-1009, HRS, Subchapter 8, Section 3-124, HAR, provides a preference for qualified community rehabilitation programs.

All solicitations for goods and services made pursuant to Sections 103D-302 and 103D-303, HRS, issued by a purchasing agency shall contain a notice stating that a price preference will be given to qualified community rehabilitation programs.

When a governmental body contracts for goods and services, a FIVE PERCENT (5%) preference shall be given to goods and services to be provided by nonprofit corporations or public agencies operating qualified community rehabilitation programs in conformance with criteria established by the department of labor and industrial relations pursuant to Chapter 91; provided that contracts awarded under this section shall be exempt from the wages provision of Section 103-55. Organizations listed in the partners employment program qualify for a preference. All other prospective Offerors desiring a preference shall submit with their offer the "Certificate of Eligibility to be Certified as a Qualified Community Rehabilitation Program" issued by the State Procurement Office.

In evaluating offers for goods or services, the University shall increase the price offered by noncommunity rehabilitation program by FIVE PERCENT (5%) for the purpose of determining the lowest evaluated Offeror. The contract amount of any contract awarded shall be the original price offered, exclusive of any preferences.



g. APPLICATION OF MULTIPLE PREFERENCES

Should more than preference allowed by statute apply, the evaluated price shall be based on application of applicable preferences in the following order:

- 1) Hawaii Products list, pursuant to Section 103D 1002, HRS;
- 2) Tax adjustment for tax exempt Offerors, pursuant to Section 103D-1008, HRS;
- 3) Preferred use of Hawaii software development business, pursuant to Section 103D-1006;
- 4) Recycled products, pursuant to Section 103D-1005, HRS;
- 5) Printing, binding, and stationery work within the State, pursuant to Section 103D-1003, HRS; and
- 6) Preference for persons with disabilities pursuant to Section 103D-1009, HRS.

The preferences shall be applied to the original prices. The sum of the preferences, where applicable, shall be applied to the original price, except that preferences 1) and 4) shall be subtracted from the Hawaii products or recycled products price.

The responsible Offeror submitting the lowest evaluated offer(s), taking into consideration all applicable preferences shall be awarded the contract provided that the product offered meets the minimum Technical Specifications. Lastly, the contract amount shall be the amount of the price offered, exclusive of any preference.